

Below is an update on the published goals and objectives for Child Support Enforcement Division. This update shows the actual figures for Federal Fiscal Year (FFY) 2005 along with projected amounts for FFY06. In addition, following the goals and objectives there is a spreadsheet that identifies the impact of the Deficit Reduction Act on the CSED. As you will note, the impact is a loss of federal funding in the approximate amount of \$1,586,946 in SFY2008 and \$2,091,000 in SFY2009, the first years of full implementation of the reductions.

## CHILD SUPPORT ENFORCEMENT

### GOALS, BENCHMARKS AND OBJECTIVES FOR 2007 BIENNIUM

The goals and objectives for the Child Support Enforcement Division (CSED) are reported on a Federal Fiscal Year (FFY), rather than the State Fiscal Year and are based upon actual date from prior FFY. The goals are set and monitored by the federal Office of Child Support Enforcement (OCSE) and deal with the following: paternity establishment; percentage of cases with support orders; collection of current support; collection on child support arrears; and, cost effectiveness. A more detailed explanation of each of these goals is stated below, along with the federal benchmark for each, the CSED's result for FFY05 and its goal for FFY06. Title IV-D refers to the cases managed by the CSED.

TABLE 1: Child Support Collections:

Indicator	Actual FFY2001	Actual FFY2002	Actual FFY2003
<b>Child Support Collections</b>	\$49,683,909	\$51,587,313	\$53,659,7489
	Actual FFY2004	Actual FFY2005	GOAL FFY2006
	\$53,909,282	\$55,800,000	\$56,000,000

**Goal:** Maintain Title IV-D Paternity Establishment Percentage.

**Benchmark:** This is determined by the number of Title IV-D children with Paternity Established divided by the Title IV-D children born out of wedlock the preceding FFY. The Federal Benchmark is 90%.

**Result:** Paternity Establishment Percentage was 105.4% in FFY05. The goal for FFY06 is to maintain a percentage rate of 90% or above. The paternity establishment percentage is calculated by dividing the number of children reported as "born out of wedlock" in the previous year by the number of children reported as "born out of wedlock" where the paternity has been resolved in the current year; thus, a percentage number of over 100% may occur.

TABLE 2: Paternity Establishment Percentage:

Measure	Actual FFY2001	Actual FFY2002	Actual FFY2003	Actual FFY2004	Actual FFY2005	GOAL FFY2006
Paternity establishment percentage	104%	113%	103%	105%	105.4%	90% or above

**Goal:** Maintain the Percentage of cases with support orders.

**Benchmark:** This goal is determined by Title IV-D Cases with support orders divided by the total number of Title IV-D cases. The Federal Benchmark is 80%.

**Result:** Percentage of cases with support orders was 88.1% in FFY05. This percentage is based on the number of cases open at year's end, but the percentage can fluctuate during the year. The goal for FFY05 is to maintain the percentage of cases with support orders at 80% or above.

TABLE 3: Percentage of Cases with Support Orders:

Measure	Actual FFY2001	Actual FFY2002	Actual FFY2003	Actual FFY2004	Actual FFY2005	GOAL FFY2006
Percent of cases with Support Orders	84%	84%	85%	86%	88.1%	80% or above

**Goal:** Increase collections of current support.

**Benchmark:** This goal is determined by the current support collected divided by the current support due. The Federal Benchmark is 80%.

**Result:** Percentage of cases with current support collected was 60.7% in FFY05. The goal for FFY06 is 60%.

TABLE 4: Percentage of Cases with Current Support Collections:

Measure	Actual FFY2001	Actual FFY2002	Actual FFY2003	Actual FFY2004	Actual FFY2005	GOAL FFY2006
Percent of cases with current support collection	57%	59%	60%	59%	60.7%	60%

**Goal:** Increase collections on arrears owed on Title IV-D cases.

**Benchmark:** This goal is determined by the number of cases that have had a collection towards arrears divided by the number of cases that have arrears due. The Federal Benchmark is 80%

**Result:** Percentage of cases with arrears that received a payment on arrears was 64.1% in FFY05. The goal for FFY06 is 65%.

TABLE 5: Percentage of Cases with Arrears Support Collections:

Measure	Actual FFY2001	Actual FFY2002	Actual FFY2003	Actual FFY2004	Actual FFY2005	GOAL FFY2006
Percent of cases with arrears collections	64%	64%	65%	64%	64.1%	65%

**Goal:** Increase cost effectiveness.

**Benchmark:** This goal is determined by the Title IV-D Collections divided by the Title IV-D expenditures. The Federal Benchmark is \$5.00 of collections for every dollar of expenditure.

**Result:** The ratio for FFY04 of the amount of collections for every dollar of expenditure was \$3.94, and the ratio for FFY05 was \$4.02. The goal for FFY06 is \$5.00.

Montana Child Support Enforcement Division  
 Estimated Impact the Federal Deficit Reduction Act (Budget Reconciliation Bill)  
 On a State Fiscal Year Ending June 30

Revised: 2/14/06 to include costs related to \$25 Fee

<b><u>Incentive Match Elimination</u></b>						
Incentive Draw = 1,100,000 per FFY						
	SFY 2006	SFY 2007	SFY 2008	SFY 2009	SFY 2010	Total All Years
Incentive Draw - July through September	275,000	275,000	275,000	275,000	275,000	
Incentive Draw - October through June	825,000	825,000	825,000	825,000	825,000	
<b>Total Incentive Draw</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>1,100,000</b>	
Federal Match - July through September	533,824	533,824	533,824	0	0	
Federal Match - October through June	1,601,471	1,601,471	0	0	0	
<b>Total Federal Match</b>	<b>2,135,294</b>	<b>2,135,294</b>	<b>533,824</b>	<b>0</b>	<b>0</b>	
<b>Total Federal Match Lost</b>		-	1,601,471	2,135,294	2,135,294	5,872,059
<b><u>Assumptions Incentive Match Elimination:</u></b>						
Incentives can be matched until 10/1/07						
Incentive draws are \$1,100,000 per federal fiscal year						
Assumes if we could match incentives, they would be matched at 66%.						
Incentives are matched at the rate in place at the time they are drawn						
The match for the first quarter of state year 2008 would not be lost because it is the last quarter of federal year 2007						

<b><u>Paternity Testing Match Reduction to 66/34</u></b>						
Budget for Paternity in 2007 = \$80,393						
	SFY 2006	SFY 2007	SFY 2008	SFY 2009	SFY 2010	Total All Years
Federal Share - July through September	18,089	18,089	13,265	13,265	13,265	
Federal Share - October through June	54,266	39,795	39,795	39,795	39,795	
<b>Total Federal Share</b>	<b>72,354</b>	<b>57,883</b>	<b>53,060</b>	<b>53,060</b>	<b>53,060</b>	
State Share - July through September	2,010	2,010	6,833	6,833	6,833	
State Share - October through June	6,030	20,500	20,500	20,500	20,500	
<b>Total State Share</b>	<b>8,039</b>	<b>22,510</b>	<b>27,334</b>	<b>27,334</b>	<b>27,334</b>	
<b>Total Budget</b>	<b>80,393</b>	<b>80,393</b>	<b>80,393</b>	<b>80,393</b>	<b>80,393</b>	
State Share Increase in Expenses		14,471	19,294	19,294	19,294	72,354
<b><u>Assumptions Paternity Match Elimination:</u></b>						
Reduction doesn't start until 10/1/06 (the first month of federal fiscal year 2007)						
Each state year has the same budget as state fiscal year 2007.						
Expenses are spread evenly over 12 months						
The match for the first quarter of 2006 would not be reduced because it is the last quarter of federal year 2007						

<b><u>\$25.00 Annual Fee for Never Assistance Cases</u></b>						
	SFY 2006	SFY 2007	SFY 2008	SFY 2009	SFY 2010	Total All Years
<b><u>Programming Costs:</u></b>						
Federal Share		53,856	26,928			
State Share		27,744	13,872			

Programming Costs (2/3 in 2007 and 1/3 in 2008)	81,600	40,800			
<u>Revenue from Fee:</u>					
Revenue Federal Share from October to June		92,577			
Revenue Federal Share from July to June 30			123,437	123,437	
Revenue State Share from October to June		47,691			
Revenue State Share from July to June 30			63,589	63,589	
State Share of Net Revenue (Revenue Less Programming Costs)	(27,744)	33,819	63,589	63,589	133,252

Assumptions \$25 Annual Fee

The effective date of 10/1/06 will change to 10/1/07 because we need to pass legislation

Programming will take 1,360 hours at \$90 per hour for a total cost of \$122,400

Programming will happen from 10/1/06 to 9/30/07 to be completed by 10/1/07.

Funding for programming is not in the 2007 budget, and Department will have to find funding somewhere

Assumes that all fees owed are collected

34% of the revenue from the fees will be retained by the state for operating expenses

66% of revenue from the fees will be returned to the federal government

Revenue is estimated to be \$25 on 7,481 cases for a total of \$187,025 for a 12 month period.

Revenue will only be collected for a 9 month period in SFY 2008, and is estimated at 3/4 or \$140,269

<u>Summary - Total of All Changes</u>	SFY 2006	SFY 2007	SFY 2008	SFY 2009	SFY 2010	Total All Years
Total Federal Match Lost		-	1,601,471	2,135,294	2,135,294	5,872,059
State Share Increase in Expenses		14,471	19,294	19,294	19,294	72,354
State Share \$25 Fee Programming Costs		27,744	13,872			41,616
State Share \$25 Fee Revenue			47,691	63,589	63,589	174,868
Total Increase or Loss to State of Montana		42,215	1,586,946	2,091,000	2,091,000	5,811,160
Note: The State Share \$25 Fee Revenue decreases expenses						
Increased expenses for 2006/2007 Biennium	42,215					
Increased expenses for 2008/2009 Biennium	3,677,946					